

# ***City of Eureka***



## **REQUEST FOR QUALIFICATIONS**

### **FOR**

## ***COLD STORAGE FEASIBILITY STUDY***

**PROJECT NUMBER: 07-06-07096**

**Submission Deadline January 7, 2015**

# **Request for Qualifications**

## ***Cold Storage Feasibility Study***

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Exhibit A: Standard Insurance Requirements

## **LOCATION**

Located on California's North Coast, Eureka is the westernmost city of the contiguous United States and largest coastal city in California north of San Francisco. As the largest city in Humboldt County and the County seat, Eureka is also the economic and government center of the North Coast Region. Eureka is located on Humboldt Bay which is the only deep-water port on California's North Coast and the most important port between San Francisco and Portland. Eureka is situated 270 miles north of San Francisco, 150 miles east of Redding, and 400 miles south of Portland, Oregon. The combined population of Eureka and surrounding communities (the Greater Eureka Area) is approximately 50,000, making Eureka the second largest urban area in the north part of the state, Redding being the largest.

Eureka contains approximately 16.4 square miles within its city limits, 9.4 square miles of which is land area with the remaining area being water (Humboldt Bay and its tributaries). The predominant land use in Eureka is residential. The City's industrial development is generally confined to the western margin of the city along the Humboldt Bay waterfront and within the Coastal Zone. Commercial uses are located in the Downtown/Old Town area, the Bayshore Mall, the Broadway corridor and Westside Industrial Area, Henderson Center and Myrtle town (just outside Eureka city limits).

## **BACKGROUND**

Our region is focusing economic development efforts on eight target industry clusters, which have been shown to have significant opportunities for new jobs and export of products and services. The second largest of these target industries is Specialty Agriculture, which includes specialty cheeses, meats, wine and beer, flowers and seafood. The City's selected consultant will organize and facilitate a series of meetings held with local stakeholders, business owners, and producers in the Specialty Agriculture and fishing industries. The purpose of the meetings will be to "determine sustainable capacity for cooperative kitchen space, refrigeration, aggregation and distribution facilities" that will enable local companies to grow. This approach is unique in that we will systematically bring together businesses that are typically in competition with each other in order to discuss collaborative efforts to grow the overall industry, which will create jobs and increase access to export markets.

The enhancement and strengthening of the Specialty Food (specialty cheeses, meats, wine and beer, and seafood), Flower, and Beverages Industry Target is identified in Humboldt County's Comprehensive Economic Development Strategy (CEDS) as having importance in future economic development of the region. As such, it is believed the development of a cold storage facility will improve the performance of our regional specialty food, flower, and beverage industries, and will enhance the operations of these base businesses which must rely

on relationships among themselves or outside of Humboldt County to maintain business efficiency and competitiveness.

Moreover, the project would stimulate economic vitality by focusing resources to stimulate the growth and competitiveness of these base businesses. A technical study of a regional cold storage facility will provide the information necessary to further the development of this critical regional facility. Currently, many of the businesses included in the Specialty Food Industry need additional cold storage for their products and industry specific materials. The lack of a regional cold storage facility is forcing these industries to adopt inefficient manufacturing practices in order to compensate for this handicap. The results of these inefficient practices are higher production and consumer costs. Improving their production efficiency with the creation of a regional cold storage facility would improve their competitiveness and as a result create additional industry jobs.

## **PROJECT DESCRIPTION**

The request for qualifications involves a technical study of a regional cold storage facility. When constructed, the facility will strengthen the Specialty Food, Flower, Seafood, and Beverage targeted industries within the County's Economic Development Strategy, Prosperity 2012. A cold storage facility in Eureka will be integral in supporting previous City sponsored investments including the City's Fishermen's Terminal Project; Commercial Fishing Dock; Public Marina Rehabilitation; and fish processing plant projects, as well as Specialty Agriculture which includes specialty cheeses, meats, wine and beer, flowers and seafood.

The City of Eureka, as the client in this project, will be supported by a "Regional Cold Storage Committee" (Committee). The consultant will be requested to present their findings and final report to the Committee. The following Scope of Work has been developed from public and agency input over a several month period and represents 1) the information necessary to answer questions posed by the potential investors (public and private); and 2) provide a package of information for public decision-makers or private investors to make informed decisions regarding actual investment in the construction and operation of a regional cold storage facility.

## **SCOPE OF WORK**

### **Task 1**

#### **Demand Assessment**

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The consultant will establish a survey tool, identify and interview potential users of a cold storage facility to determine short- and long-term potential use of the facility. The survey will be designed to determine potential use, existing cold storage rates, preferred sites, and

preferred features of a cold storage facility based upon a survey of potential users. Prior to conducting interviews, the consultant will provide the survey instrument to the Committee for review and modifications. The survey should be designed to reveal the highest priority features and location(s) of a cold storage facility and the probability that potential users would become actual customers.

The consultant will interview potential users of the cold storage facility from the following user categories:

- Humboldt County-based seafood and aquaculture processors;
- Direct market processors (fishermen) in Humboldt County;
- Agricultural crop and animal production and related manufacturing; and
- Other companies such as retail groceries, food distributors, restaurants, caterers, other food processors, non-profits, and appropriate (if any) non-food users

#### Deliverable 1 – Demand Assessment

The final product for the “Demand Assessment” will be written report detailing the following information:

- Prioritized preferred “features” of a cold storage facility organized by user categories (“features” should include at a minimum: overall size of facility, holding capacity, presence/absence/degree of office space(s), presence/absence/degree of processing equipment/space(s), mandatory equipment, access, facilities within the building, facilities outside the building, layout and arrangement, etc.);
- A review of existing cold storage facilities used by likely users of a new facility, including a competitive assessment of cold storage facilities (including capacity) in Humboldt County;
- A projection of cold storage usage for the next 10 years, showing peak and down-time usage of the facility

Consultant requirement: The Committee will review and approve the list of potential users that the consultant will interview. The Committee will review and approve user survey questions prior to interviews with potential users. The Committee will review the demand assessment and determine if the report meets all of the above requirements. Following the technical review of the report, the consultant will meet with the Committee to determine which findings shall direct the remaining review components.

## **Task 2**

### **Facility Size and Features**

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Based on the results of Task 1, Consultant will provide a basis of design memorandum analyzing recommended facility size and features. In its findings, the consultant will address the following components:

- Total facility size including exterior;

- Freight and transportation flow and handling outside the facility;
- Necessary holding capacity for frozen and cold storage in the short- to long-term;
- Office space;
- Ability for future expansion; and
- Freezing or processing features as identified by the Committee
- Conceptual estimate of costs

## Deliverable 2 – Optimum facility design

Based on the demand assessment and desired features for the facility, as determined by the Committee following its review and discussion with the consultant in Phase I, the consultant will prepare a preliminary basis of design memorandum that identifies the optimum size, space and configuration for a cold storage facility. Consultant will also develop a preliminary, conceptual, or order-of-magnitude estimate of costs, including capital costs, construction costs, and O&M costs. For this deliverable, these costs should not be site specific and should provide general costs for a conceptual facility. Preliminary and/or conceptual design drawings/plans of the facility, plant layout, refrigeration systems and processing areas are preferred but not required. Discussion of current technologies for freezing and processing along with any considerations for maintenance and repair of these systems shall be included.

The consultant will arrange a review with the Committee and selected stakeholders to determine if there is a close correlation between potential user requirements and design choices. The consultant will also review with the Committee the preliminary capital, construction, and O&M cost estimates.

## **Site Selection**

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Based on the information gathered above, Consultant will conduct a siting study to identify potential locations at which the Cold Storage facility could be located. The Consultant will interview the appropriate Community Development Departments (County and City) to identify appropriately zoned target locations, restrictions or other concerns. The consultant will contact real estate brokers to determine if there are suitable and available privately-held lands. The consultant will contact City and County Managers/Property Managers to determine if there are suitable and available publically-held lands. The consultant will then produce a list of at least eight potential sites. For each location, the consultant will identify:

- Acreage;
- Land use and zoning;
- Appropriateness of site according to parameters established by potential users;
- Proximity to transportation modes (highway, airport, port, rail);
- Estimated land or lease value;
- Existing ownership;
- Necessary improvements to the site;
- Easements and other lien issues;
- General permitting and/or environmental compliance constraints; and
- On-site logistics for large containers and other appropriate equipment.

## Deliverable 3 – Site Selection

The final product for site selection will be a written report detailing the information above and recommending the top three sites based on cost, suitability to the project, and availability.

### **Project Costs**

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Based on the optimum facility size, features, and the cost of a representative site, the consultant will estimate the likely capital, construction, and O&M costs of the cold storage facility.

Cost components. The consultant will provide a cost estimate of the project, which will cover the following components at a minimum:

- Land;
- Building shell, including foundation;
- Utility (electric, water, sewer, other) installation costs;
- In-facility storage equipment including racks and shelves, lockers, fencing or other equipment necessary for public access users;
- Freezing equipment;
- Processing equipment;
- Office equipment;
- Miscellaneous cold storage equipment such as forklifts;
- Project management costs;
- Construction
- Permitting and environmental compliance costs; and
- Construction financing costs.

Scalability. In the event the project is not likely to provide adequate recurring cash flow after reasonable debt service to cover all operating costs, including maintenance reserves within a three to five year period, recommendations for a scalable project design will be required, in which lower priority features can be added later.

## Deliverable 4 – Estimates of Probable Costs

The final product for project costs will include an estimate of all of the above costs, including contingency, freight and installation, site improvements necessary to meet operational requirements, zoning and building codes. A preliminary conceptual design of the building(s) and equipment layouts must be included as the basis of the cost estimates. Sources of cost estimates must be provided. Assumptions must be described.

### **Feasibility**

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Based on the consultant's determination of optimum size, location, and cost to construct, the consultant will determine if a cold storage facility will be self-sustaining (feasible).

## Deliverable 5 – Feasibility

The consultant will put together a 5-year pro forma that demonstrates anticipated cash flow for the facility including all expected revenues and expenses, necessary reserves and debt service for the facility. Each annual pro forma projection will be broken into quarterly figures. Revenues include all income for cold storage leases, space rentals, supplies, product handling and other recurring fee income. Expenses include all marketing and operating costs, both fixed and variable. Outflows shall include maintenance and replacement reserves, and repayment of debt. The feasibility study will employ discounted cash flow analysis, demonstrate estimated return on investment and other measures of value deemed appropriate by the consultant. All assumptions and sources of cost and revenue estimates must be fully described.

## Deliverable 6 – Financing

The consultant will provide analysis of the impact of variables such as commercial financing availability and rates as well as public financing, grants, and other subsidies, which may be appropriate, on project cash flow and return of investment.

## Deliverable 7 – Ownership

The consultant will provide a written report describing potential management and ownership structures of a cold storage facility, and provide a brief discussion of the pros and cons of each, specifically in relation to the impacts on the stated goal of strengthening the Specialty Food, Flower, and Beverage targeted industries within the County's Economic Development Strategy, Prosperity 2012.

Consultant requirement. The consultant will produce a written report detailing the information required above. The Committee will review the report and at its sole discretion determine if the report is complete. If the report is determined to be incomplete the Committee may require additional work. Following a technical review of the report, the consultant will meet with the Committee to receive the report and discuss findings.

## GENERAL CONDITIONS

1. **Public Information:** All submittals and information submitted to the City of Eureka (City) shall become public record upon their delivery to the City.
2. **RFQ Addenda:** The City reserves the right to amend, alter, or revoke this RFQ in any manner at any time. At the City's sole discretion, modifications, clarifications, or additions will be distributed as an addendum to all known proposers. Any submittal to the City will acknowledge receipt of the Addenda.
3. **Submittal Preparation Costs:** All costs incurred in the preparation and presentation of a submittal shall be wholly absorbed by the proposer.



4. **Withdrawal of Submittal:** Any proposer may withdraw his/her submittal, either personally or by written request, at any time prior to the scheduled closing time for the receipt of submittals. Such requests are to be directed to the City of Eureka.
5. **Selection Procedures:** Submittals will be subject to the City's selection procedures for professional Consultants. Accordingly, final selection will be based upon overall capability to perform services.
6. **Right to Reject Submittals:** The City reserves the right to reject any and all submittals, to waive any non-material irregularities or information in any submittal, and to accept or reject any combination of items.

The objective is to execute an agreement with the selected firm within fourteen (14) days after notification of selection, unless the time of execution has been extended for good cause at the sole discretion of the City. Failure of the selected firm to meet contract submission requirements (e.g. insurance) or failure to timely execute an agreement may result, at the sole discretion of the City, in a decision to select from the remaining proposers or to call for new statements of qualifications.

### **SUBMITTAL FORMAT**

The Statement of Qualifications shall include the following:

1. **A cover or transmittal letter:** The letter is to be signed by a member of the organization who has the authority to offer, negotiate, and execute contracts on behalf of the firm. The cover letter must acknowledge receipt of any and all addenda, if any were issued.
2. **Project Understanding:** This section will outline the Consultant's basic understanding of the project. It should identify key issues known or expected, and those key issues which will be addressed during the project. Consultant shall provide any insights, innovative ideas, or recommendations, which will characterize the work to be performed and describe how Consultant will perform its work.
3. **Scope of Work:** Consultant will describe the work plan it intends to use to complete its work. Recommendations which demonstrate a clear benefit or advantage to the City may receive favorable consideration.
4. **Responsible Personnel:** List the proposed team including, but not limited to, Principal-in-Charge, Project Manager (Team Leader), and those key Consultant staff members who will be assigned and directly involved in the project. Include a concise resume of qualifications and experiences of each person together with the expected hours that each key person is to be committed to the project. Include all anticipated

subconsultants, listing names, addresses, telephone numbers, key personnel staff, and the expected hours to be committed to the project for each. Include a concise resume of qualifications and experiences for all key subconsultant personnel; qualifications of key subconsultant personnel will be a material consideration in identifying overall Consultant qualifications to complete this project. Provide an organization chart of key personnel with responsibilities.

5. **Project Management:** Describe how the project will be planned, executed, monitored, and managed. Provide a project schedule which identifies all major tasks listed in the Scope of Work. Provide a recommended schedule to perform the work. The City desires that the work be completed within six (6) months after an agreement is reached. If prospective consultants believe that a longer completion period is required, then consultants should identify the expected time of completion and identify the tasks on the project's critical path that determine the necessary performance period.
6. **Consultant Fee:** In a separate, sealed envelope present one (1) set of the estimated fees for professional services. For each task identify labor hours and fees, subconsultant hours and fees, expenses, and other costs. Total fee shall include all markups, overhead, and profit. Consultant shall also include a current fee schedule that includes rates, classifications, and expenses that will be applied to this project. The contract with the Consultant will provide for payment on a periodic basis, based upon periodic invoicing for the work, not-to-exceed \$50,000.00 (fifty thousand dollars). The estimated Consultant fee may be a basis for Contract negotiations with the most qualified Consultant team, however, the fee will not be a scoring factor in the evaluation of the qualifications of consulting firms.
7. **Related Experience:** Provide experience, capabilities, and qualifications for similar projects upon which team members have worked and/or completed during no more than the last 10 years, emphasizing experiences that are comparable to this project. Include specific references with names, addresses, and current phone numbers. The City recommends providing sample conceptual site designs and preliminary cost estimates that Consultant has produced for similar industrial facilities.

## ESTIMATED PROJECT SCHEDULE

The schedule for this project is tentatively proposed as follows:

Q & A Conference Call with City Staff (call City for info).....	December 18, 2014
Deadline to Receive Qualifications by City.....	January 7, 2015
City Approval of Selected Consultant .....	February 3, 2015
Submit Final Report to City Council .....	June 16, 2015

The schedule noted above represents only an estimate.

***All Grant funds must be expended by June 30, 2015.***

## SUBMITTAL CRITERIA

1. Sealed submittals for the Project are to be mailed to:

Cindy Trobitz-Thomas, Interim Economic Development Director  
City of Eureka  
531 K Street  
Eureka, CA 95501

2. RFQ submittals must be received by the City of Eureka prior to 4:00 PM, Wednesday, January 7, 2015.
3. Mailing envelope is to be clearly marked on the outside with the following notation:

**"Eureka Cold Storage Feasibility Study to be opened not before  
4:00 PM on Wednesday January 7, 2015"**

Submittals will not be considered unless the submittal contains a cover letter signed by a member of the organization having the authority to negotiate and execute contracts on behalf of the organization. The cover letter must also acknowledge receipt of any and all addenda that may have been issued.

4. The original, unbound RFQ submittal and four (4) copies are to be provided. Facsimile or electronic copies will not be accepted. Proposer is to submit only one (1) set of fee documentation in a separate sealed envelope. Nowhere in the body of the submittal shall specific pricing be discussed. The sealed envelope containing the pricing will not be opened until after the screening interviews of the submittals have been completed. Consultant fee is not to exceed \$50,000.00 (fifty thousand dollars).

5. The submittals will be opened at 4:00 PM on Wednesday, January 7, 2015, at Eureka City Hall; 531 K Street; Room 207; Eureka, California.
6. Pages of the submittal shall be typed and double-sided with the maximum number of pages of submittal information, including Appendixes and Attachments, limited to forty (40) pages, excepting the cover sheet, title sheets index sheet, blank pages, and table of contents. Promotional or other unsolicited material may not be submitted.

Questions or comments on this process may be directed to:

Cindy Trobitz-Thomas, Interim Economic Development Director  
(707) 441-4207

[ctrobitz-thomas@ci.eureka.ca.gov](mailto:ctrobitz-thomas@ci.eureka.ca.gov)

***ALL INCOMPLETE SUBMITTALS SHALL BE REJECTED. THE CITY OF EUREKA RESERVES THE RIGHT TO WAIVE MINOR IRREGULARITIES IN A FIRM'S SUBMITTAL, IF DEEMED IN THE BEST INTEREST OF THE CITY OF EUREKA. THE CITY OF EUREKA RESERVES THE RIGHT TO REJECT ANY OR ALL SUBMITTALS.***

***FINAL SELECTION IS SUBJECT TO REVIEW AND APPROVAL BY THE CITY OF EUREKA AND IS CONTINGENT UPON NEGOTIATING A SUCCESSFUL AGREEMENT.***

## **EVALUATION CRITERIA**

The Review and Selection Committee (Committee) will be led by the members of the City of Eureka staff and may include other elected, operations, and professional personnel. The Committee will evaluate the Consultants' submittals and, if it chooses, may schedule oral interviews to determine which Consultant is best qualified to perform the work. The Committee will then rank the Consultants, at which time the Consultant fee envelopes will be opened and tabulated. The Consultant fees will be evaluated to determine if the amount of the fee is considered a reasonable cost for the work. If the Committee finds that the top-ranked Consultant has submitted a reasonable fee, the Committee will recommend that Consultant for approval by the City Council. The Committee may require additional information prior to the Committee's recommendations. Once the City Council has agreed to the Committee's recommendation, the City staff will proceed with negotiation of the contract to prepare documents for contract execution. In the event that the top-ranked Consultant submits a fee that is not considered a reasonable cost for the work, and discussion with the Consultant does not resolve the cost issue, the Committee reserves the right to enter into discussions and to negotiate with the next-ranked Consultant.

Ranking of the Consultants' qualifications will be based upon, but not limited to, the following:

1. Understanding of the Project
2. Experience with Similar Types of Work
3. Experience and Qualifications of the Project Manager
4. Experience and Qualifications of the Project Team, including Subconsultants
5. Demonstrated Ability to Complete Projects On Time and Within Budget

### **STANDARD CONSULTANT AGREEMENT**

The Consultant selected to perform the work shall be required to execute a consulting and professional services agreement with the City of Eureka. A copy of the City's Standard Insurance requirements is attached to the RFQ as Exhibit A. These requirements are to be contained within the agreement. By submitting an RFQ for the work, the Consultant agrees to meet the required insurance coverages and endorsement requirements within the body of the agreement document.

### **ATTACHMENTS**

Exhibit A      City Standard Insurance Requirements

## EXHIBIT A

### CITY STANDARD INSURANCE REQUIREMENTS

**INSURANCE REQUIREMENTS** - Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

#### Minimum Scope of Insurance

Coverage shall be at least as broad as:

- A. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
- B. Insurance Services Office form number CA 0001 (Ed 1/87) covering Automobile Liability, code 1 (any auto).
- C. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- D. Errors and Omissions liability insurance appropriate to the consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

#### Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- A. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- B. Automobile Liability: \$2,000,000 per accident for bodily injury and property damage.
- C. Employer's Liability: \$2,000,000 per accident for bodily injury or disease.
- D. Errors and Omissions Liability: \$2,000,000 per occurrence for Design or Construction and \$250,000 for Non-Design or Construction.
- E. I certify that in the performance of the scope of work outlined in this agreement, I shall not employ any person in any manner so as to become subject to the Workers Compensation laws of California.

(Consultant to initial, if applicable)

### Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

### Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- A. The City, its officers, officials, employees are to be covered as insured as respects: liability to the extent caused by the negligent operations performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant.
- B. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
- C. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

### Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the city.

### Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the City's forms provided those endorsements conform to City's requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.